

STATE OF WASHINGTON
Department of Retirement Systems

REQUEST FOR PROPOSALS
RFP NO. 06-008-01

PROJECT TITLE:
Conduct Study of Key Customer Service Activities

PROPOSAL DUE DATE:
January 26, 2006

EXPECTED TIME PERIOD FOR CONTRACT:
Date of Washington State Office of Financial Management (OFM) approval through
September 30, 2006

VENDOR ELIGIBILITY:
This procurement is open to those Vendors that satisfy the qualifications stated herein
and are available for work in Washington State.

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1. INTRODUCTION

1.1 PURPOSE

The Washington State Department of Retirement Systems (DRS) is seeking a consultant to conduct a study that will analyze and evaluate key operational activities conducted by DRS's customer service division and compare the activities to those of similar organizations. The consultant will produce a written analysis with recommendations for how the agency can structure and organize work to support agency goals.

1.2 BACKGROUND

DRS currently administers seven statewide public retirement systems, which include 14 separate plans or tiers. These plans are defined benefit plans; however, three of these plans also have a defined contribution component. These systems provide pension coverage for state and higher education employees, teachers and classified educational employees, law enforcement officers and firefighters, city and county employees, and other employees of participating local government employers. DRS also administers the state's Deferred Compensation Program (DCP), a Dependent Care Assistance Program (DCAP), and the accounting and reporting services for a separate defined contribution program, the Judicial Retirement Account (JRA). Beginning in July 2006, DRS will also administer the new Public Safety Employees' Retirement System, a defined benefit pension plan.

The defined benefit pension plans are managed solely by DRS, while the record-keeping aspects of the defined contribution component, the DCP, and JRA are managed by two third-party record keepers.

The work processes for member account management and benefit processing are performed in DRS's Retirement Services Division (RSD) by approximately 90 staff. Seventy percent of these staff are responsible for providing primary customer service and the other 30% provide management/administrative support. At a high level, primary customer service staff perform the following tasks:

- Counsel and communicate with retirement system members and DCP participants during all phases of participation (i.e., enrollment to retirement)
- Use automated systems to audit and maintain the accuracy of member accounts
- Process optional purchases of service credit
- Process withdrawal payments for members who terminate covered employment and opt to end their participation in the retirement system or the DCP
- Process restorations of withdrawn accounts for returning members
- Create benefit estimates at the request of the member
- Process defined benefit service and disability retirements
- Process death benefits

Staff in the Central Reception Unit (CRU), who are part of RSD, are the first line of response for members calling with questions or visiting the agency for walk-in or scheduled consultations. At a high level, they perform the following tasks:

- Greet members coming in for interviews with primary customer service staff
- Confirm identity of members (in person or on phone) and answer basic questions from members about account balances, beneficiaries on record, etc.
- Forward calls from members with more detailed questions to primary customer service staff
- Maintain members' profile and beneficiary information
- Provide help to members calling with questions while registering for the agency's online account application

DRS relies on automated systems that collect and store the retirement data necessary to maintain accounts and process retirement benefits. DRS has also implemented an imaging and workflow system, which provides the structure through which the primary customer service staff's work is distributed and performed. Using these systems, staff have electronic access to all member records.

Information necessary for administering retirement benefits and the DCP is transmitted to DRS by employers of retirement system members. There are approximately 1,300 covered employers participating in the state systems.

As of June 2005, there were 290,589 active members participating in one of the defined benefit plans, 115,472 retirees, and 154,002 inactive members. The DCP has approximately 45,000 participants.

1.3 QUALIFICATIONS

DRS is soliciting proposals from qualified bidders possessing the objectivity, experience, knowledge, skills, and abilities gained from successful prior engagements related to work studies and business process reviews. The Vendor must be licensed to conduct business in the State of Washington and have a verifiable record of successfully providing similar services to public and private pension organizations for at least five years.

In addition to the above requirements, the Vendor must meet the following qualifications:

- Have professional experience with and demonstrated knowledge of public and private pension organizations and how they deliver services.
- Have professional experience conducting work studies for organizations that administer pension plans, in both the public and private sector.
- Have professional experience benchmarking organizations for workflow, job classifications, job competency requirements, compensation, and other topics listed in Section 2, Scope of Services.

- Have professional experience researching, compiling, and presenting data to agency Executive Management.
- Have professional experience proposing organizational structures that optimize operations and service delivery.

1.4 PERIOD OF PERFORMANCE

The period of performance of this contract will be from the date of Office of Financial Management (OFM) approval through September 30, 2006. Amendments extending the period of performance, if any, shall be at the sole discretion of DRS.

2. SCOPE OF SERVICES

The information in this section pertains to the deliverables to be completed by September 30, 2006.

The services provided by the Vendor are intended to address the following goals:

- Ensure quality products and services
- Ensure efficient operations
- Optimize customer satisfaction
- Optimize employee satisfaction

2.1. QUESTIONS TO BE ADDRESSED BY WORK STUDY

1. Does the current work/process flow ensure quality services and products?
2. Are work tasks assigned to the appropriate job level and are tasks delegated appropriately based on authority and span of control?
3. Does the structure support efficient operations and effective delivery of service?
4. Is adequate time allowed for specific work tasks?
5. Do we provide the right level of administration on member retirement accounts? Should we do more or less? What type of account audits should be performed? How should they be scaled to specific work tasks? Should there be some rules (or different rules) around how many audits there should be per account or when we audit accounts?
6. Are job duties appropriately distinguished and structured in the positions?
7. Are the current competencies and skills required for the positions appropriate for the work?
8. Are current salaries commensurate with the job duties?
9. Is the current staff training adequate to enable staff to obtain the required competencies?
10. Do our hours of operation meet customer needs?
11. Are the current employee schedules the only or the best options to meet customer needs?

2.2. DESCRIPTION OF DELIVERABLES

The Contractor's work will include the following, as well as any tasks necessary to complete the work described below:

- A. Develop and gain DRS management approval of a work plan for completing all work described within the Scope of Services section of this RFP. The plan must be developed and maintained by the Vendor using standard tools and techniques to update and maintain it.

Deliverable: Detailed work plan of all tasks, resources, and timeframes necessary for completing all deliverables, due by March 31, 2006.

- B. Conduct a study of key operational activities and staffing considerations for the DRS's customer services division.

Deliverable: Written study containing the following:

- Analysis and evaluation of work tasks performed by staff, along with any workload indicators and critical success factors.
- Analysis and evaluation of flow of work within and across jobs, taking into consideration approvals, verifications, authority levels, span of control, and impacts/handoffs to other operational areas.
- Analysis and evaluation of components of work, their relative complexity, and time allotted for the work.
- Analysis and evaluation of revisits to accounts for administration purposes such as account audits and corrections, withdrawals of contributions, purchase of service credit, benefit estimates, benefit calculations, benefit recalculations, and death processing.
- Analysis and evaluation of other aspects of organizational dynamics, including dual career paths and other areas not included above.

- C. Compare DRS's key operational activities and staffing considerations to similar pension organizations that have produced excellent results. There should be at least three organizations, two of which must be governmental clients of either the same size or structure as DRS, with similar missions and complexity, and with similar sized customer bases. DRS must approve the selected organizations.

Deliverable: Documented comparison results and disparities related to the following:

- Organizational structure
- Types of processes performed, for example, benefit processing, withdrawal of contributions, etc.
- Work components, their complexity, and time allotted
- Flow of work from one job to another

- Workload distribution
- Revisits to accounts
- Job classification structures, competency requirements, and compensation
- Hours of operation
- Employee scheduling options
- Customer service evaluation
- Cost of operations

D. Create recommendations that address the questions listed in Section 2.1.

Deliverable: Written report that contains recommendations regarding the following:

- Recommended changes to operational activities, including workload distribution and workflow, with cost analysis for making changes.
- Recommendation for job duties and associated competency requirements and compensation; relative complexity of work components and distribution of work components into those jobs.
- Level and type of staff training required to perform job duties
- Organizational model to align with recommended workload distribution and workflow, if appropriate.
- Options for hours of operations and employee schedules that will meet customer needs.

3. GENERAL INFORMATION FOR VENDORS

3.1 RFP COORDINATOR

The RFP Coordinator, Jeff Wickman, is the sole point of contact for this procurement. Throughout the duration of the procurement process, all questions and other communications concerning the procurement are to be directed, in writing, to the contact listed below. **Unauthorized contact regarding the procurement with other DRS staff after issuance of this RFP will disqualify the Vendor.**

Washington State Department of Retirement Systems
P.O. Box 48380
Olympia, WA 98504-8380
ATTN: Jeff Wickman, RFP Coordinator
Telephone (360) 664-7303 FAX (360) 753-5397
E-mail: jeffw@drs.wa.gov

3.2 ESTIMATED SCHEDULE OF ACTIVITIES

Event	Date
Issue Request for Proposal	1/5/06
Last date for questions regarding RFP	1/13/06
DRS responses to vendor questions posted on DRS Web Site (www.drs.wa.gov/administration/rfp/)	1/19/06
Proposals due 4:00 p.m. local time in Olympia, Washington	1/26/06
Evaluate proposals	1/27/06-2/3/06
Conduct interviews, if necessary	2/9/06-2/10/06
Announce apparently successful vendor	2/15/06
Debriefing period	2/16/06-2/21/06
Contract finalization/signing	2/27/06-3/6/06
OFM filing/approval period	3/7/06-3/20/06
Begin contract work	On or about 3/21/06

3.3 QUESTIONS AND ANSWERS

Vendors may submit written questions to the RFP Coordinator via e-mail. Questions must be received no later than 1:00 p.m. local time in Olympia, Washington, on January 13, 2006. DRS will respond to all questions by posting the questions and the answers on the DRS Web site by January 19, 2006. The questions and answers can be accessed at www.drs.wa.gov/administration/rfp/. DRS will be bound only to written answers to questions.

3.4 SUBMISSIONS

Submittal of five (5) copies of the proposal is required. Two copies must have original signatures and three copies can have photocopied signatures.

Two of the five copies must be unbound. One of these unbound copies must contain original signatures and must be marked "Master Copy."

The five copies of the proposal shall be received at the following address on or before 4:00 p.m. local time in Olympia, Washington, on January 26, 2006:

Washington State Department of Retirement Systems
P.O. Box 48380
Olympia, WA 98504-8380
ATTN: Jeff Wickman, RFP Coordinator

Vendors who mail proposals should allow normal mail delivery time to ensure timely receipt of their proposals by the RFP Coordinator. **Proposals may not be transmitted**

using electronic media such as facsimile transmission or electronic mail.

Notwithstanding the provisions of RCW 1.12.070, postmarks will not be considered as date received for the purposes of this RFP. Late proposals will not be accepted, nor will time extensions be granted.

The outside of the proposal packaging is to clearly identify the RFP being responded to, including the RFP number (06-008-01).

All proposals and accompanying documentation become the property of DRS and will not be returned.

3.5 PROPOSAL FORMAT

All proposals must be on eight and one-half by eleven (8 ½ x 11) inch paper and placed in binders with tabs separating the major sections of the proposal. The sections shall include:

- Letter of Submittal, including signed Certifications and Assurances (Attachment A);
- Executive Summary;
- Management Proposal;
- Technical Proposal;
- Cost Proposal; and
- Relevant supplemental information the Vendor deems appropriate (i.e., the information supports or demonstrates ability to perform items listed under Scope of Services, Section 2) – limited to not more than 10 pages.

Responses should be in the order listed above.

3.6 FILING REQUIREMENT

Under the provisions of Chapter 39.29 RCW, DRS is required to file the personal services contract with the Office of Financial Management (OFM). No contract required to be so filed is effective, and no work there under shall be commenced, nor payment made therefore, until ten (10) working days following the date of filing and until approved by OFM. In the event OFM does not approve the contract, the contract shall be null and void.

3.7 PROPRIETARY INFORMATION/PUBLIC DISCLOSURE

All proposals received shall remain confidential until the successful vendor(s) resulting from this RFP, if any, is announced by DRS's Director or the Director's designee. Thereafter, proposals shall be deemed public records as defined in Chapter 42.17 RCW (the Washington State statute pertaining to accessibility to public records), except as

exempted in that chapter. Vendors are advised that the permissible exemptions from public disclosure pursuant to RCW 42.17 are very narrow in scope and strictly construed. In the event that a Vendor desires to claim portions of the proposal as exempt from disclosure under the provisions of the aforementioned RCW, it is incumbent upon that Vendor to clearly identify those portions in a proposal transmittal letter. The transmittal letter must identify the page and particular exemption(s) from disclosure upon which it is making its claim. Further, each page claimed to be exempt must be clearly identified by the word "CONFIDENTIAL" printed on the lower right-hand corner of the page. **Designating the entire proposal as confidential is not acceptable and will not be honored.**

If an official request is made to view a Vendor's proposal, DRS will respond in accordance with RCW 42.17.250 et seq. If any of the specifically requested information is marked as "confidential" in the proposal, such information will not be made available until three (3) business days after the affected Vendor has been given telephone notice that the information has been requested. If within those three (3) business days the affected Vendor has undertaken proceedings to obtain a court order restraining DRS from disclosure of the requested "confidential" information, DRS will not disclose such information until resolution of the court proceeding. Upon failure to make application for judicial relief within the allowed period, the information will be disclosed.

NOTE: The proposal of the successful Vendor(s) will be attached to the resulting contract and incorporated therein by that attachment. Therefore, as part of a public state agency contract, the entirety of the successful Vendor(s)' proposal will be subject to public disclosure regardless of any claim of confidentiality or previously applicable statutory exemption. Nevertheless, should a successful Vendor obtain a court order from a Washington State court of competent jurisdiction prohibiting disclosure of parts of its proposal prior to the execution of the contract incorporating the same, DRS will comply with the court order. The burden is upon a successful Vendor to evaluate and anticipate its need to maintain confidentiality and to proceed accordingly. Timeliness will be of the essence; a delay in execution of the contract to accommodate a petition to the courts will not be allowed.

3.8 REVISIONS TO THE RFP

DRS reserves the right to revise the RFP and/or to issue addenda to the RFP. DRS also reserves the right to cancel or to reissue the RFP in whole or in part, prior to execution of a contract. In the event it becomes necessary to revise any part of the RFP, addenda will be provided to all interested parties via the DRS website.

3.9 MINORITY AND WOMEN-OWNED BUSINESS PARTICIPATION

In accordance with the legislative findings and policies set forth in chapter 39.19 RCW, the state of Washington encourages participation in all of its contracts by firms certified

by the Office of Minority and Women's Business Enterprises (OMWBE). Participation may be either on a direct basis in response to this solicitation or on a subcontractor basis. However, no preference will be included in the evaluation of proposals, no minimum level of MWBE participation will be required as a condition for receiving an award, and proposals will not be rejected or considered non-responsive on that basis. Any affirmative action requirements set forth in federal regulations or statutes included or referenced in the contract documents will apply.

3.10 ACCEPTANCE PERIOD

All proposals must be valid for 60 days from the due date for receipt of proposals.

3.11 RESPONSIVENESS

All proposals will be reviewed by the RFP Coordinator to determine compliance with administrative requirements and instructions specified in this RFP. The Vendor is specifically notified that failure to comply with any part of the RFP may result in rejection of the proposal as non-responsive.

The agency also reserves the right, however, at its sole discretion to waive minor administrative irregularities.

3.12 MOST FAVORABLE TERMS

Although DRS reserves the right to make an award without further discussion, DRS may initiate discussions should clarification or negotiation be necessary. Vendors should be prepared to provide qualified personnel to discuss technical and contractual aspects of the proposal.

The "Best and Final Offer" is an option available to DRS under the RFP process allowing one or more Vendors to submit a best and final offer. Vendors may be contacted asking that they submit their best and final offer. Vendors should not submit such an offer unless contacted by DRS.

3.13 COSTS TO PROPOSE

DRS will not be liable for any costs incurred by the Vendor in preparation of a proposal submitted in response to this RFP, in conduct of a presentation, or any other activities related to responding to this RFP.

3.14 GENERAL TERMS AND CONDITIONS

The apparently successful Vendor will be expected to enter into a contract with DRS that is substantially the same as the contract attached as Attachment B, including DRS's General Terms and Conditions.

While the Vendor is free to propose changes to the Contract Terms and Conditions, the Vendor is not to submit the Vendor's own standard contract terms and conditions as a replacement for those included in Attachment B. A Vendor's request for substantial modification of the contract will be viewed as a non-responsive proposal resulting in disqualification of the Vendor. Determination of what constitutes substantial modification rests solely with DRS.

3.15 NO OBLIGATION TO CONTRACT

This RFP does not obligate the state of Washington or DRS to contract for service(s) specified herein.

3.16 REJECTION OF PROPOSALS

The DRS reserves the right at its sole discretion to reject any and all proposals received without penalty and to not issue a contract as a result of this RFP.

3.17 COMMITMENT OF FUNDS

The Director of DRS (or her delegate) is the only individual who may legally commit DRS to the expenditure of funds for a contract resulting from this RFP. No cost chargeable to the proposed contract may be incurred before receipt of a fully executed contract.

3.18 BILLINGS

The Vendor may bill DRS after the successful completion of deliverables, no more frequently than monthly. Billings must indicate the contract number, the project name, Vendor staff person, the deliverable completed, and the pre-agreed upon billing amount. The Contract Manager must approve billings before payment will be made.

Payment will be considered timely if made by DRS within thirty (30) days after receipt of properly completed invoices. Payment will be sent to the address designated by the Vendor.

DRS may, in its sole discretion, terminate the contract or withhold payments claimed by the Vendor for services rendered if the Vendor fails to satisfactorily comply with any term or condition of this contract.

No payments in advance or in anticipation of services or supplies to be provided under this contract will be made by DRS.

3.19 INSURANCE COVERAGE

Each Vendor must indicate in the letter of submittal and as a condition of contract award, that the Vendor will provide proof of insurance from the Vendor's insurance carrier, outlining the extent of Vendor's liability coverage.

The Company awarded the contract shall, at the Company's own expense, obtain and keep in force liability insurance and shall furnish evidence in the form of a Certificate of Insurance that insurance shall be provided, and a copy shall be forwarded to DRS within fifteen (15) days of receipt of notice of award.

The Company shall at all times during the term of the contract carry and maintain liability insurance with the following minimum limits:

- Commercial General Liability Insurance: Covering bodily injury, property damage, and contractual liability.

Each Occurrence	\$1,000,000
General Aggregate	\$2,000,000
- Business Auto Policy: As applicable, the Company shall carry and maintain automobile liability insurance with limits of \$1,000,000 per accident.

3.20 LOCATION AND VENDOR STAFF AVAILABILITY

The majority of work will be conducted in Tumwater, Washington, at DRS's headquarters, on 6835 Capitol Boulevard. The Vendor may perform required work off-site, using the Vendor's equipment, if deemed appropriate and authorized in writing by DRS.

Vendor staff must be available when required and will have access to DRS's resources.

Vendor staff may, during the course of the execution of the contract, provide services to other clients if those services: 1) Are not a conflict of interest with DRS's work, as detailed under the general terms and conditions of the eventual contract; and 2) Do not interfere with the completion of the tasks and deliverables identified in Section 2, Scope of Services.

4. PROPOSAL CONTENTS

The proposal must contain the following, in this order:

- Letter of Submittal, including signed Certifications and Assurances form (Attachment A)
- Executive Summary
- Management Proposal
- Technical Proposal
- Cost Proposal
- Relevant supplemental information the Vendor deems appropriate (i.e., the information supports or demonstrates ability to perform items listed under Scope of Services, Section 2), limited to not more than 10 pages

4.1 LETTER OF SUBMITTAL (Mandatory, Not Scored)

The Letter of Submittal and the Certifications and Assurances form must be signed and dated by a person authorized to legally bind the Vendor to a contractual relationship, for example, the President or Executive Director if a corporation, the managing partner if a partnership, or the proprietor if a sole proprietorship. The Letter of Submittal is to include by attachment the following information about the Vendor and any proposed subcontractors. Provide all information requested in the exact order specified below:

- 4.1.1 State the business name, address, principal place of business, telephone number, e-mail address, and fax number of the legal entity or person who can speak on behalf of the company and is to be the DRS contact for this solicitation. Indicate the location of the facility from which you will operate if awarded the contract for this RFP.
- 4.1.2 Provide the names, addresses, and telephone numbers of principal officers (President, Vice President, Treasurer, Chairperson of the Board of Directors, etc.).
- 4.1.3 Specify the legal status of the Company (sole proprietorship, partnership, corporation, etc.) and the year the entity was organized to do business as the entity now substantially exists.
- 4.1.4 Give a brief history of your Company's involvement in the consulting business, including the year of organization, current ownership, and affiliations. Provide an explanation of any planned or anticipated ownership changes.
- 4.1.5 Explain any potential for conflict your Company would have in providing services to DRS. Conflicts may include current consulting relationships. What procedures are in place that would mitigate or eliminate potential conflicts of interest?

- 4.1.6 Provide your Company's federal employer identification number.
- 4.1.7 Provide your Washington State Department of Revenue registration number (UBI number).
- 4.1.8 Include proof of certification issued by the OMWBE if your Company is a certified minority-owned firm and/or women-owned firm.

4.2 EXECUTIVE SUMMARY (Mandatory, Not Scored)

Provide a high level summary of your proposal, highlighting the strengths, experiences, and background of your Company. The summary should be no more than three pages in length.

4.3 MANAGEMENT PROPOSAL (Mandatory, Scored)

4.3.1 EXPERIENCE OF THE COMPANY

- 4.3.1.1 Describe your Company's consulting specialties, strengths, and limitations as they relate to the items outlined in Section 1.3, Qualifications.
- 4.3.1.2 Describe specific projects you have completed that demonstrate your Company's competency in the areas described in the Scope of Services outlined in Section 2 of this RFP. Please indicate the employer, date of the project, project scope and objectives, budget, and results directly attributable to your participation.
- 4.3.1.3 Describe your experience conducting work studies and business process reviews for governmental organizations. Please include description of scope of services and timeframes.
- 4.3.1.4 Describe your experience benchmarking services provided by public and private pension organizations. List the organizations for which you have provided services and the areas that were analyzed.
- 4.3.1.5 Describe your experience developing organizational models and consulting on human resources issues. Please list three organizations you have provided these services to and associated timeframes.
- 4.3.1.6 Provide a minimum of three references that demonstrate your Company's ability to accomplish work similar in size and scope, with a preference for public pension system work and state government

agencies. The references should have first-hand knowledge of the capabilities of the key project team members proposed for this project. Reference information should include:

- Name and title of contact
- Name of organization
- Services provided to reference
- Dates of engagement
- Address
- Telephone and fax numbers

4.3.2. PROJECT MANAGEMENT

4.3.2.1 Project Team Structure/Internal Controls: Provide a description of the proposed project team structure and internal controls to be used during the course of the project, including any subcontractors. Provide an organizational structure indicating lines of authority for personnel involved in performance of this potential contract and relationships of this staff to other programs or functions of the firm. This chart must also show lines of authority to the next senior level of management. Include who within the firm will have prime responsibility and final authority for the work.

4.3.2.2 Staff Qualifications and Experience: Identify staff, including subcontractors, who will be assigned to the potential contract, indicating their responsibilities and qualifications. Include the amount of time each will be assigned to the project and how much of their time will be on site in Olympia. Provide résumés for each person, including education, work experience relevant to services described in Section 2 (Scope of Services), significant accomplishments, and any other pertinent information.

The Vendor must validate that staff identified in its proposal will actually perform the assigned work. If the proposed staff are unavailable at the time of project initiation or leave the project prior to completion, the Vendor will provide staff of equal or higher qualification. DRS must approve any staff substitution.

4.4 TECHNICAL PROPOSAL (Mandatory, Scored)

4.4.1 PROJECT APPROACH

DRS expects to make DRS staff available, as necessary, for interviews, meetings, information gathering, or other activities proposed by the Vendor. There will also be a main DRS contact for coordination of all project activities.

For each of the following areas, describe in detail the approach to be used to execute the required work described in Section 2, Scope of Services. The proposed approach must be described in sufficient detail to convey the Vendor's knowledge of public and private pension organizations, and the Vendor's experience in comparing customer service activities among pension organizations. It should also illustrate the Vendor's ability to manage this project to produce the deliverables on time and within budget.

4.4.1.1 Work Plan and Schedule

Provide a preliminary work plan, including tasks and associated time frames for the required work as described in Section 2, Scope of Services. The preliminary work plan must be based on a completion date for all deliverables of September 30, 2006, and must specify when each deliverable will be provided.

4.4.1.2 Written Study

Discuss your proposed approach for conducting and documenting the study of key operational activities and staffing considerations for DRS's customer services division. Provide details of the proposed method of data and information collection for the study, both with regard to workflow and to job classifications.

4.4.1.3 Comparison of Organizations

Describe your proposed approach for selecting organizations similar to DRS in their customer services, selecting points of comparison related to customer service activities and staffing concerns (including identifying best practices in those organizations), conducting the comparison study, and analyzing and documenting comparison results and disparities.

4.4.1.4 Recommendations

Describe your proposed approach for creating the recommendations described in Section 2, Scope of Services.

4.4.2 SAMPLE DOCUMENTS

Please provide samples of documents that show the format and type of information to be used for the deliverables described in Section 2, Scope of Services. The samples can be either generic templates or samples of similar documents the Vendor has developed for other organizations.

4.5 COST PROPOSAL (Mandatory, Scored)

It is DRS's desire to enter into a fixed price, deliverable-based contract with a Vendor to provide the services requested in this RFP. The proposed fees must be based on the total costs for developing each deliverable. Use the following format and headings to provide all detailed costs for each deliverable, as well as the total cost for producing all of the deliverables. On a separate sheet, identify fully the pricing assumptions made in arriving at the proposed cost.

Deliverable A: Detailed Work Plan			
• Professional Services	# of Hours	Hourly Rate	Cost
1 st individual's name, with title			
2 nd individual's name, with title			
Etc.			
• Other	# of occurrences	Rate	Cost
Travel			
Overhead (supplies, phone, etc.)			
Etc.			
	Total Cost for Work Plan		
Deliverable B: Study			
• Professional Services	# of Hours	Hourly Rate	Cost
1 st individual's name, with title			
2 nd individual's name, with title			
Etc.			
• Other	# of occurrences	Rate	Cost
Travel			
Overhead (supplies, phone, etc.)			
Etc.			
	Total Cost for Study		
Deliverable C: Comparison			
• Professional Services	# of Hours	Hourly Rate	Cost
1 st individual's name, with title			
2 nd individual's name, with title			
Etc.			
• Other	# of occurrences	Rate	Cost
Travel			

Overhead (supplies, phone, etc.)			
Etc.			
	Total Cost for Comparison		
Deliverable D: Recommendations			
• Professional Services	# of Hours	Hourly Rate	Cost
1 st individual's name, with title			
2 nd individual's name, with title			
Etc.			
• Other	# of occurrences	Rate	Cost
Travel			
Overhead (supplies, phone, etc.)			
Etc.			
	Total Cost for Recommendations		
	Grand Total for All Deliverables and Services		

4.5.1 AWARD NOT BASED ON COST ALONE

The evaluation process is designed to award this procurement not necessarily to the Vendor of least cost, but rather to the Vendor whose proposal best meets the requirements of this RFP.

4.6 SUPPLEMENTAL INFORMATION

Each Vendor may present relevant supplemental information that the Vendor deems appropriate (i.e., the information supports or demonstrates ability to perform items listed under Scope of Services, Section 2). The Vendor may also provide supporting documentation, as necessary, for evaluators to determine relevance and value. Supplemental materials must be limited to not more than 10 pages.

5. EVALUATION AND CONTRACT AWARD

5.1 EVALUATION TEAM

An evaluation team designated by DRS will determine the proposal most responsive to the requirements stated in this RFP. Proposals will be evaluated strictly in accordance with the requirements set forth in this RFP and any addenda that are issued.

5.2 AWARD BASED ON MULTIPLE FACTORS

The evaluation process is designed to award the contract to the Vendor whose proposal best meets the requirements of this RFP. The final selection, if any, will be based on the evaluation team's recommendation after analysis of the management, technical, and cost elements of the proposal, and oral presentations, if required.

5.3 EVALUATION WEIGHTING CRITERIA

The following weighting will be used to score the proposals and select the finalists for oral presentations, if appropriate:

- Management Proposal 55 percent
- Technical Proposal 30 percent
- Cost Proposal 15 percent

DRS, at its sole discretion, may elect to select the top two or more Vendors for an oral presentation and final determination of contract award. Commitments made by the Vendor at the oral presentation, if any, will be considered binding. If oral presentations are given, the final selection will be based on the combined proposal and oral presentation. Vendors who give oral presentations may be asked to elaborate on the elements of their proposal.

5.4 NOTIFICATION TO UNSUCCESSFUL VENDORS

Companies whose proposals have not been selected for further negotiation or award will be notified using the contact information provided in their proposal.

5.5 DEBRIEFING OF UNSUCCESSFUL VENDORS

Unsuccessful Vendors will be given the opportunity for a debriefing conference. The RFP Coordinator must receive the request for a debriefing conference within three (3) business days after being notified that your company was not selected. The debriefing must be held within three (3) business days of the request.

Discussion will be limited to a critique of the requesting Vendor's proposal. Comparisons between proposals or evaluations of the other proposals will not be allowed. Debriefing conferences may be conducted in person or on the telephone and will be scheduled for a maximum of one hour.

5.6 PROTEST PROCEDURE

This procedure is available to Vendors who submitted a response to this solicitation document and who have participated in a debriefing conference. Upon completing the debriefing conference, the Vendor is allowed three (3) business days to file a protest of the acquisition with the RFP Coordinator.

Vendors protesting this procurement shall follow the procedures described herein. Protests that do not follow these procedures shall not be considered. This protest procedure constitutes the sole administrative remedy available to Vendors under this procurement.

All protests must be in writing and signed by the protesting party or an authorized agent. The protest must state the grounds for the protest with specific and complete statements of the action(s) being protested. A description of the relief or corrective action being requested should also be included. All protests shall be addressed to the RFP Coordinator.

Only protests stipulating an issue of fact concerning the following subjects shall be considered:

- A matter of bias, discrimination, or conflict of interest on the part of the evaluator;
- Non-compliance with procedures described in the procurement document or DRS policy.

Upon receipt of a protest, DRS will hold a protest review. All available facts will be considered and the DRS Director or her delegate will issue a decision within five business days of receipt of the protest. If additional time is required, the protesting party will be notified of the delay.

In the event a protest may affect the interests of another Vendor that submitted a proposal, such Vendor will be given an opportunity to submit its views and any relevant information on the protest to the RFP Coordinator.

The final determination of the protest shall:

- Find the protest lacking in merit and uphold DRS's action; or
- Find only technical or harmless errors in DRS's acquisition process and determine DRS to be in substantial compliance and reject the protest; or
- Find merit in the protest and provide DRS options, which may include:
 - Correct the errors and re-evaluate all proposals, and/or
 - Reissue the solicitation document and begin a new process, or
 - Make other findings and determine other courses of action as appropriate.

If DRS determines that the protest is without merit, DRS will enter into a contract with the apparently successful Vendor. If the protest is determined to have merit, one of the alternatives noted in the preceding paragraph will be taken.

6. DRS RIGHTS

6.1 PROPOSAL REJECTIONS

Determination of clarity and completeness in the responses to any of the provisions in this RFP will be made solely by the DRS evaluation team. DRS reserves the right to require clarification, additional information, and materials in any form relative to any or all of the provisions or conditions of this RFP.

DRS reserves the right to reject any or all proposals at any time prior to the execution of a contract acceptable to DRS, without any penalty to DRS.

6.2 CONTRACT AWARD

DRS intends to award the contract to the Vendor(s) with the best combination of attributes based on the evaluation criteria listed in Section 5 of this RFP.

Should DRS fail to enter into a contract with the apparently successful Vendor(s), DRS reserves the right to award a contract to the next most qualified Vendor(s). DRS also reserves the right to contract with more than one Vendor.

6.3 PUBLICITY

No informational pamphlets, notices, press releases, research reports, and/or similar public notices concerning this project may be released by the apparently successful Vendor(s) without obtaining prior written approval from DRS.

6.4 WAIVERS

DRS reserves the right to waive specific terms and conditions contained in this RFP. It shall be understood by Vendors that the proposal is predicated upon acceptance of all terms and conditions contained in this RFP unless the Vendor has obtained such a waiver, in writing, from the RFP coordinator prior to submission of the proposal. Any waiver, if granted, will be granted to all Vendors.

6.5 RECORDS RETENTION

After the date of the announcement of the apparently successful Vendor(s), DRS will retain one master copy of each proposal received for a period of six years. However, due to limited storage capacity and workspace efficiencies, those copies may be moved from DRS headquarters to the Washington State Records Center in Tumwater, Washington, at the end of six months from the date of announcement of the apparently successful Vendor(s). Thereafter, accommodation of any request made pursuant to Chapter 42.17 RCW to examine and/or photocopy proposals submitted in response to this RFP will be necessarily delayed in order to retrieve the requested records. However, DRS will retain, at its headquarters, copies of the proposal(s) from the apparently successful Vendor(s) for a period of six years from the execution date of contracts resulting from this procurement.

7. RFP ATTACHMENTS

Attachment A: Certifications and Assurances Form

Attachment B: Sample Contract with General Terms and Conditions

Attachment A (RFP No. 06-008-01)

CERTIFICATIONS AND ASSURANCES

I/we make the following certifications and assurances as a required element of the proposal to which it is attached, understanding that the truthfulness of the facts affirmed here and the continuing compliance with these requirements are conditions precedent to the award or continuation of the related contract(s):

1. I/we declare that all answers and statements made in the proposal are true and correct.
2. The prices and/or data have been determined independently, without consultation, communication, or agreement with others for the purpose of restricting competition. However, I/we may freely join with other persons or organizations for the purpose of presenting a single proposal.
3. The attached proposal is a firm offer for a period of 60 days following receipt, and it may be accepted by DRS without further negotiation (except where obviously required by lack of certainty in key terms) at any time within the 60-day period.
4. In preparing this proposal, I/we have not been assisted by any current or former employee of the state of Washington whose duties relate (or did relate) to this proposal or prospective contract, and who was assisting in other than his or her official, public capacity. Neither does such a person nor any member of his or her immediate family have any financial interest in the outcome of this proposal. (Any exceptions to these assurances are described in full detail on a separate page and attached to this document.)
5. I/we understand that DRS will not reimburse me/us for any costs incurred in the preparation of this proposal. All proposals become the property of the DRS, and I/we claim no proprietary right to the ideas, writings, items, or samples, unless so stated in this proposal.
6. Unless otherwise required by law, the prices and/or cost data which have been submitted have not been knowingly disclosed by the Vendor and will not knowingly be disclosed by him/her prior to opening, directly or indirectly to any other Vendor or to any competitor.
7. I/we agree that submission of the attached proposal constitutes acceptance of the solicitation contents and the attached sample contract and general terms and conditions. If there are any exceptions to these terms, I/we have described those exceptions in detail on a page attached to this document.
8. No attempt has been made or will be made by the Vendor to induce any other person or firm to submit or not to submit a proposal for the purpose of restricting competition.
9. I/we grant the DRS the right to contact references and others, who may have pertinent information regarding our prior experience and ability to perform the services contemplated in this procurement.

Signature of Vendor

Title

Date

SAMPLE CONTRACT WITH GENERAL TERMS AND CONDITIONS

(SAMPLE)
**CONTRACT FOR PERSONAL SERVICES
BETWEEN
THE STATE OF WASHINGTON
DEPARTMENT OF RETIREMENT SYSTEMS
AND**

This Contract is made and entered into by and between the State of Washington, Department of Retirement Systems, hereinafter referred to as the “AGENCY”, and the below named firm, hereinafter referred to as “CONTRACTOR,”

Contractor Name _____
Address _____
City, State & zip code _____
Phone _____
E-mail Address _____

Washington State UBI No. _____
Federal ID No. _____

PURPOSE

The purpose of this contract is to conduct a study that will analyze and evaluate key operational activities conducted by DRS’s customer service division and compare those activities to similar organizations. The consultant will produce a written analysis with recommendations for how the agency can structure and organize work to support agency goals.

SCOPE OF WORK

- A. The CONTRACTOR will provide services and staff, and otherwise do all things necessary for or incidental to the performance of work, as set forth in the AGENCY’s RFP 06-008-01 attached as Exhibit B, and the CONTRACTOR’s proposal dated _____, attached as Exhibit C.
- B. Exhibit A contains the General Terms and Conditions governing work to be performed under this contract, the nature of the working relationship between the AGENCY and the CONTRACTOR, and specific obligations of both parties.
- C. The CONTRACTOR shall produce the following deliverables by the dates indicated below:

Deliverable schedule goes here

All deliverables and written reports required under this contract must be delivered to Marcie Frost, Contract Manager, in accordance with the schedule above.

PERIOD OF PERFORMANCE

Subject to other contract provisions, the period of performance under this contract will be Date of Washington State Office of Financial Management (OFM) approval through September 30, 2006, unless sooner terminated or extended as provided herein.

OFM FILING REQUIREMENT

Under the provisions of Chapter 39.29 RCW, this personal service contract is required to be filed with the Office of Financial Management (OFM). No contract required to be so filed is effective and no work shall be commenced nor payment made until ten (10) working days following the date of filing, and if required, until approved by OFM. In the event OFM fails to approve the contract, the contract shall be null and void.

COMPENSATION AND PAYMENT

AGENCY shall pay an amount not to exceed _____ (\$ _____) for the performance of all things necessary for or incidental to the performance of work as set forth in the Scope of Work. CONTRACTOR'S compensation for services rendered shall be in accordance with the rates proposed in the Contractor's proposal, included herein by reference and attached as Exhibit C, for services described in RFP 06-008-01, included herein by reference and attached as Exhibit B, and including any amendments thereto.

BILLING PROCEDURES

The Contractor may bill the AGENCY after the successful completion of deliverables, no more frequently than monthly. Billings must indicate the contract number, the project name, Contractor staff person, the deliverable completed, and the pre-agreed upon billing amount. The Contract Manager must approve billings before payment will be made.

AGENCY will pay CONTRACTOR upon receipt of properly completed invoices, which shall be submitted to the Contract Manager not more often than monthly. The invoices shall describe and document to the AGENCY'S satisfaction a description of the work performed, the progress of the project, and fees. Each invoice will clearly indicate the AGENCY Contract Number.

Payment shall be considered timely if made by the AGENCY within thirty (30) days after receipt of properly completed invoices. Payment shall be sent to the address designated by the CONTRACTOR.

The AGENCY may, in its sole discretion, terminate the contract or withhold payments claimed by the CONTRACTOR for services rendered if the CONTRACTOR fails to satisfactorily comply with any term or condition of this contract.

No payments in advance or in anticipation of services or supplies to be provided under this contract shall be made by the AGENCY.

The AGENCY's Director or designee shall have the authority to authorize payment to the CONTRACTOR for related work that is beyond the scope of this contract if such payment does not cause total expenditures to exceed the contract amount specified under COMPENSATION AND PAYMENT, *infra*.

CONTRACT MANAGEMENT

The Contract Manager for each of the parties shall be the contact person for all communications and billings regarding the performance of this Contract.

Contract Manager for CONTRACTOR:	Contract Manager for AGENCY:
<u>Contractor Name</u> <u>Address</u> <u>City, State Zip Code</u> Phone: () Fax: () E-mail address:	Marcie Frost PO Box 48380 Olympia, WA 98504-8380 Phone: (360) 664-7224 Fax: (360) 753-3166 E-mail address: marcief@drs.wa.gov

INSURANCE

The CONTRACTOR shall provide insurance coverage as set forth in the Request for Proposals No. 06-008-01. The intent of the required insurance is to protect the State should there be any claims, suits, actions, costs, damages or expenses arising from any negligent or intentional act or omission of the CONTRACTOR or subcontractor, or agents of either, while performing under the terms of this contract.

ASSURANCES

AGENCY and the CONTRACTOR agree that all activity pursuant to this contract will be in accordance with all the applicable current federal, state and local laws, rules, and regulations.

ORDER OF PRECEDENCE

Each of the exhibits listed below is by this reference hereby incorporated into this contract. In the event of an inconsistency in this contract, the inconsistency shall be resolved by giving precedence in the following order:

- Applicable Federal and State of Washington statutes and regulations
- Special Terms and Conditions as contained in this basic contract instrument
- Exhibit A – General Terms and Conditions
- Exhibit B – Request for Proposals (RFP) 06-008-01, including any amendments thereto.
- Exhibit C – Contractor's proposal dated _____
- Any other provision, term or material incorporated herein by reference or otherwise incorporated

ENTIRE AGREEMENT

This contract including referenced exhibits represents all the terms and conditions agreed upon by the parties. No other statements or representations, written or oral, shall be deemed a part hereof.

CONFORMANCE

If any provision of this contract violates any statute or rule of law of the State of Washington, it is considered modified to conform to that statute or rule of law.

APPROVAL

This contract shall be subject to the written approval of the AGENCY'S authorized representative and shall not be binding until so approved. The contract may be altered, amended, or waived only by a written amendment executed by both parties.

THIS CONTRACT, consisting of pages _____ and _____ attachments, is executed by the persons signing below who warrant that they have the authority to execute the contract.

[CONTRACTOR'S NAME]

DEPARTMENT OF RETIREMENT SYSTEMS

Signature

Signature

Title

Date

Title

Date

APPROVED AS TO FORM

Assistant Attorney General

Date

EXHIBIT A

GENERAL TERMS AND CONDITIONS

DEFINITIONS

As used throughout this contract, the following terms shall have the meaning set forth below:

- A. "Agency" shall mean the _____, of the state of Washington, any division, section, office, unit or other entity of the Agency, or any of the officers or other officials lawfully representing that Agency.
- B. "Agent" shall mean the Director, _____, and/or the delegate authorized in writing to act on the Director's behalf.
- C. "Contractor" shall mean that firm, provider, organization, individual or other entity performing service(s) under this contract, and shall include all employees of the Contractor.
- C. "Subcontractor" shall mean one not in the employment of the Contractor, who is performing all or part of those services under this contract under a separate contract with the Contractor. The terms "Subcontractor" and "Subcontractors" mean Subcontractor(s) in any tier.

ACCESS TO DATA

In compliance with RCW 39.29.080, the Contractor shall provide access to data generated under this contract to AGENCY, the Joint Legislative Audit and Review Committee, and the State Auditor at no additional cost. This includes access to all information that supports the findings, conclusions, and recommendations of the Contractor's reports, including computer models and methodology for those models.

ADVANCE PAYMENTS PROHIBITED

No payments in advance of or in anticipation of goods or services to be provided under this contract shall be made by the Agency.

AMENDMENTS

This contract may be amended by mutual agreement of the parties. Such amendments shall not be binding unless they are in writing and signed by personnel authorized to bind each of the parties.

AMERICANS WITH DISABILITIES ACT (ADA) OF 1990, PUBLIC LAW 101-336, also referred to as the "ADA" 28 CFR Part 35

The Contractor must comply with the ADA, which provides comprehensive civil rights protection to individuals with disabilities in the areas of employment, public accommodations, state and local government services, and telecommunications.

ASSIGNMENT

Neither this Contract, nor any claim arising under this Contract, shall be transferred or assigned by the Contractor without prior written consent of the Agency.

ATTORNEYS' FEES

In the event of litigation or other action brought to enforce contract terms, each party agrees to bear its own attorney's fees and costs.

CONFIDENTIALITY / SAFEGUARDING OF INFORMATION

The Contractor shall not use or disclose any information concerning the Agency, or information which may be classified as confidential, for any purpose not directly connected with the administration of this contract, except with prior written consent of the Agency, or as may be required by law.

CONFLICT OF INTEREST

Notwithstanding any determination by the Executive Ethics Board or other tribunal, the Agency may, in its sole discretion, by written notice to the Contractor terminate this contract if it is found after due notice and examination by the Agent that there is a violation of the Ethics in Public Service Act, Chapter 42.52 RCW; or any similar statute involving the Contractor in the procurement of, or performance under this contract.

In the event this contract is terminated as provided above, the Agency shall be entitled to pursue the same remedies against the Contractor as it could pursue in the event of a breach of the contract by the Contractor. The rights and remedies of the Agency provided for in this clause shall not be exclusive and are in addition to any other rights and remedies provided by law. The existence of facts upon which the Agent makes any determination under this clause shall be an issue and may be reviewed as provided in the "Disputes" clause of this contract.

COPYRIGHT PROVISIONS

Unless otherwise provided, all Materials produced under this contract shall be considered "works for hire" as defined by the U.S. Copyright Act and shall be owned by the Agency. The Agency shall be considered the author of such Materials. In the event the Materials are not considered "works for hire" under the U.S. Copyright laws, Contractor hereby irrevocably assigns all right, title, and interest in Materials, including all intellectual property rights, to the Agency effective from the moment of creation of such Materials.

Materials means all items in any format and includes, but is not limited to, data, reports, documents, pamphlets, advertisements, books, magazines, surveys, studies, computer programs, films, tapes, and/or sound reproductions. Ownership includes the right to copyright, patent, register and the ability to transfer these rights.

For Materials that are delivered under the contract, but that incorporate pre-existing materials not produced under the contract, Contractor hereby grants to the Agency a nonexclusive, royalty-free, irrevocable license (with rights to sublicense others) in such Materials to translate, reproduce, distribute, prepare derivative works, publicly perform, and publicly display. The Contractor warrants and represents that Contractor has all rights and permissions, including intellectual property rights, moral rights and rights of publicity, necessary to grant such a license to the Agency.

The Contractor shall exert all reasonable effort to advise the Agency, at the time of delivery of Materials furnished under this contract, of all known or potential invasions of privacy contained therein and of any portion of such document that was not produced in the performance of this contract. The Agency shall receive prompt written notice of each notice or claim of infringement received by the Contractor with respect to any data delivered under this contract. The Agency shall have the right to modify or remove any restrictive markings placed upon the data by the Contractor.

COVENANT AGAINST CONTINGENT FEES

The Contractor warrants that no person or selling agent has been employed or retained to solicit or secure this contract upon an agreement or understanding for a commission, percentage, brokerage or contingent fee, excepting bona fide employees or bona fide established agents maintained by the Contractor for the purpose of securing business. The Agency shall have the right, in the event of breach of this clause by the Contractor, to annul this contract without liability or, in its discretion, to deduct from the contract price or consideration or recover by other means the full amount of such commission, percentage, brokerage or contingent fee.

DISPUTES

Except as otherwise provided in this contract, when a dispute arises between the parties and it cannot be resolved by direct negotiation, either party may request a dispute hearing with Agent.

1. The request for a dispute hearing must:
 - Be in writing;
 - State the disputed issue(s);
 - State the relative positions of the parties;
 - State the Contractor's name, address, and contract number; and
 - Be mailed to the Agent and the other party's (respondent's) Contract Manager within 3 working days after the parties agree that they cannot resolve the dispute.
2. The respondent shall send a written answer to the requester's statement to both the agent and the requester within 5 working days.
3. The Agent shall review the written statements and reply in writing to both parties within 10 working days. The Agent may extend this period if necessary by notifying the parties.
4. The parties agree that this dispute process shall precede any action in a judicial or quasi-judicial tribunal.

Nothing in this Contract shall be construed to limit the parties' choice of a mutually acceptable ADR method in addition to the dispute resolution procedure outlined above.

DUPLICATE PAYMENT

The Agency shall not pay the Contractor, if the Contractor has charged or will charge the state of Washington or any other party under any other contract or agreement, for the same services or expenses.

GOVERNING LAW

This contract shall be construed and interpreted in accordance with the laws of the state of Washington, and the venue of any action brought hereunder shall be in the Superior Court for Thurston County.

INDEMNIFICATION

To the fullest extent permitted by law, Contractor shall indemnify, defend, and hold harmless State, agencies of State and all officials, agents and employees of State, from and against all claims for injuries or death arising out of or resulting from the performance of the Contract. "Claim," as used in this contract, means any financial loss, claim, suit, action, damage, or expense, including but not limited to attorney's fees, attributable for bodily injury, sickness, disease, or death, or injury to or destruction of tangible property including loss of use resulting therefrom. Contractor's obligation to indemnify, defend and hold harmless includes any claim by Contractors' agents, employees, representatives, or any subcontractor or its employees.

Contractor expressly agrees to indemnify, defend, and hold harmless the State for any claim arising out of or incident to Contractor's or any subcontractor's performance or failure to perform the Contract. Contractor's obligation to indemnify, defend, and hold harmless the State shall not be eliminated or reduced by any actual or alleged concurrent negligence of State or its agents, agencies, employees and officials.

Contractor waives its immunity under Title 51 RCW to the extent it is required to indemnify, defend and hold harmless State and its agencies, officials, agents or employees.

INDEPENDENT CAPACITY OF THE CONTRACTOR

The parties intend that an independent contractor relationship will be created by this contract. The Contractor and his or her employees or agents performing under this contract are not employees or agents of the Agency. The Contractor will not hold himself/herself out as or claim to be an officer or employee of the Agency or of the state of Washington by reason hereof, nor will the Contractor make any claim of right, privilege or benefit which would accrue to such employee under law. Conduct and control of the work will be solely with the Contractor.

INDUSTRIAL INSURANCE COVERAGE

The Contractor shall comply with the provisions of Title 51 RCW, Industrial Insurance. If the Contractor fails to provide industrial insurance coverage or fails to pay premiums or penalties on behalf of its employees as may be required by law, Agency may collect from the Contractor the full amount payable to the Industrial Insurance accident fund. The Agency may deduct the amount owed by the Contractor to the accident fund from the amount payable to the Contractor by the Agency under this contract, and transmit the deducted amount to the Department of Labor

and Industries, (L&I) Division of Insurance Services. This provision does not waive any of L&I's rights to collect from the Contractor.

LICENSING, ACCREDITATION AND REGISTRATION

The Contractor shall comply with all applicable local, state, and federal licensing, accreditation and registration requirements/standards, necessary for the performance of this contract.

LIMITATION OF AUTHORITY

Only the Agent or Agent's delegate by writing (delegation to be made prior to action) shall have the express, implied, or apparent authority to alter, amend, modify, or waive any clause or condition of this Contract. Furthermore, any alteration, amendment, modification, or waiver or any clause or condition of this contract is not effective or binding unless made in writing and signed by the Agent.

NONCOMPLIANCE WITH NONDISCRIMINATION LAWS

In the event of the Contractor's non-compliance or refusal to comply with any nondiscrimination law, regulation, or policy, this contract may be rescinded, canceled or terminated in whole or in part, and the Contractor may be declared ineligible for further contracts with the Agency. The Contractor shall, however, be given a reasonable time in which to cure this noncompliance. Any dispute may be resolved in accordance with the "Disputes" procedure set forth herein.

NONDISCRIMINATION

During the performance of this contract, the Contractor shall comply with all federal and state nondiscrimination laws, regulations and policies.

PRIVACY

Personal information including, but not limited to, "Protected Health Information," collected, used, or acquired in connection with this contract shall be protected against unauthorized use, disclosure, modification or loss. Contractor shall ensure its directors, officers, employees, subcontractors or agents use personal information solely for the purposes of accomplishing the services set forth herein. Contractor and its subcontractors agree not to release, divulge, publish, transfer, sell or otherwise make known to unauthorized persons personal information without the express written consent of the agency or as otherwise required by law.

Any breach of this provision may result in termination of the contract and the demand for return of all personal information. The Contractor agrees to indemnify and hold harmless the Agency for any damages related to the Contractor's unauthorized use of personal information.

PUBLICITY

The Contractor agrees to submit to the Agency all advertising and publicity matters relating to this Contract wherein the Agency's name is mentioned or language used from which the connection of the Agency's name may, in the Agency's judgment, be inferred or implied. The Contractor agrees not to publish or use such advertising and publicity matters without the prior written consent of the Agency.

RECORDS MAINTENANCE

The Contractor shall maintain books, records, documents, data and other evidence relating to this Contract and performance of the services described herein, including but not limited to accounting procedures and practices which sufficiently and properly reflect all direct and indirect costs of any nature expended in the performance of this Contract. Contractor shall retain such records for a period of six years following the date of final payment. At no additional cost, these records, including materials generated under the Contract, shall be subject at all reasonable times to inspection, review or audit by the Agency, personnel duly authorized by the Agency, the Office of the State Auditor, and federal and state officials so authorized by law, regulation or agreement.

If any litigation, claim or audit is started before the expiration of the six (6) year period, the records shall be retained until all litigation, claims, or audit findings involving the records have been resolved.

REGISTRATION WITH DEPARTMENT OF REVENUE

The Contractor shall complete registration with the Washington State Department of Revenue and be responsible for payment of all taxes due on payments made under this contract.

RIGHT OF INSPECTION

The Contractor shall provide right of access to its facilities to the Agency, or any of its officers, or to any other authorized agent or official of the state of Washington or the federal government, at all reasonable times, in order to monitor and evaluate performance, compliance, and/or quality assurance under this contract.

SAVINGS

In the event funding from state, federal, or other sources is withdrawn, reduced, or limited in any way after the effective date of this contract and prior to normal completion, the Agency may terminate the contract under the "Termination for Convenience" clause, without the 10 day notice requirement, subject to renegotiation at the Agency's discretion under those new funding limitations and conditions.

SEVERABILITY

The provisions of this contract are intended to be severable. If any term or provision is illegal or invalid for any reason whatsoever, such illegality or invalidity shall not affect the validity of the remainder of the contract.

SITE SECURITY

While on Agency premises, Contractor, its agents, employees, or subcontractors shall conform in all respects with physical, fire or other security policies or regulations.

SUBCONTRACTING

Neither the Contractor nor any Subcontractor shall enter into subcontracts for any of the work contemplated under this contract without obtaining prior written approval of the Agency. In no event shall the existence of the subcontract operate to release or reduce the liability of the contractor to the Department for any breach in the performance of the contractor's duties. This clause does not include contracts of employment between the contractor and personnel assigned to work under this contract.

Additionally, the Contractor is responsible for ensuring that all terms, conditions, assurances and certifications set forth in this agreement are carried forward to any subcontracts. Contractor and its subcontractors agree not to release, divulge, publish, transfer, sell or otherwise make known to unauthorized persons personal information without the express written consent of the agency or as provided by law.

TAXES

All payments accrued on account of payroll taxes, unemployment contributions, any other taxes, insurance or other expenses for the Contractor or its staff shall be the sole responsibility of the Contractor.

TERMINATION FOR CAUSE

In the event the Agency determines the Contractor has failed to comply with the conditions of this Contract in a timely manner, the Agency has the right to suspend or terminate this Contract. Before suspending or terminating the Contract, the Agency shall notify the Contractor in writing of the need to take corrective action. If corrective action is not taken within 30 days, the Contract may be terminated or suspended. In the event of termination or suspension, the Contractor shall be liable for damages as authorized by law including, but not limited to, any cost difference between the original Contract and the replacement or cover Contract and all administrative costs directly related to the replacement Contract, e.g., cost of the competitive bidding, mailing, advertising and staff time. The Agency reserves the right to suspend all or part of the Contract, withhold further payments, or prohibit the Contractor from incurring additional obligations of funds during investigation of the alleged compliance breach and pending corrective action by the Contractor or a decision by the Agency to terminate the Contract. A termination shall be deemed to be a "Termination for Convenience" if it is determined that the Contractor: (1) was not in default; or (2) failure to perform was outside of his or her control, fault or negligence. The rights and remedies of the Agency provided in this Contract are not exclusive and are in addition to any other rights and remedies provided by law.

TERMINATION FOR CONVENIENCE

Except as otherwise provided in this contract, the Agency may, by 10 days written notice, beginning on the second day after the mailing, terminate this contract, in whole or in part. If this contract is so terminated, the Agency shall be liable only for payment required under the terms of this contract for services rendered or goods delivered prior to the effective date of termination.

TERMINATION PROCEDURES

Upon termination of this contract, the Agency, in addition to any other rights provided in this contract, may require the Contractor to deliver to the Agency any property specifically produced or acquired for the performance of such part of this contract as has been terminated. The provisions of the "Treatment of Assets" clause shall apply in such property transfer.

The Agency shall pay to the Contractor the agreed upon price, if separately stated, for completed work and services accepted by the Agency, and the amount agreed upon by the Contractor and the Agency for (i) completed work and services for which no separate price is stated, (ii) partially completed work and services, (iii) other property or services which are accepted by the Agency, and (iv) the protection and preservation of property, unless the termination is for default, in which case the Agent shall determine the extent of the liability of the Agency. Failure to agree with such determination shall be a dispute within the meaning of the "Disputes" clause of this contract. The Agency may withhold from any amounts due the Contractor such sum as the Agent determines to be necessary to protect the Agency against potential loss or liability.

The rights and remedies of the Agency provided in this section shall not be exclusive and are in addition to any other rights and remedies provided by law or under this contract.

After receipt of a notice of termination, and except as otherwise directed by the Agent, the Contractor shall:

1. Stop work under the contract on the date, and to the extent specified, in the notice;
2. Place no further orders or subcontracts for materials, services, or facilities except as may be necessary for completion of such portion of the work under the contract that is not terminated;
3. Assign to the Agency, in the manner, at the times, and to the extent directed by the Agent, all of the rights, title, and interest of the Contractor under the orders and subcontracts so terminated, in which case the Agency has the right, at its discretion, to settle or pay any or all claims arising out of the termination of such orders and subcontracts.
4. Settle all outstanding liabilities and all claims arising out of such termination of orders and subcontracts, with the approval or ratification of the Agent to the extent Agent may require, which approval or ratification shall be final for all the purposes of this clause;
5. Transfer title to the Agency and deliver in the manner, at the times, and to the extent directed by the Agent any property which, if the contract had been completed, would have been required to be furnished to the Agency;
6. Complete performance of such part of the work as shall not have been terminated by the Agent; and
7. Take such action as may be necessary, or as the Agent may direct, for the protection and preservation of the property related to this contract, which is in the possession of the Contractor and in which the Agency has or may acquire an interest.

TREATMENT OF ASSETS

1. Title to all property furnished by the Agency shall remain in the Agency. Title to all property furnished by the Contractor, for the cost of which the Contractor is entitled to be reimbursed as a direct item of cost under this contract, shall pass to and vest in the Agency upon delivery of such property by the Contractor. Title to other property, the cost of which is

reimbursable to the Contractor under this contract, shall pass to and vest in the Agency upon (i) issuance for use of such property in the performance of this contract, or (ii) commencement of use of such property in the performance of this contract, or (iii) reimbursement of the cost thereof by the Agency in whole or in part, whichever first occurs.

2. Any property of the Agency furnished to the Contractor shall, unless otherwise provided herein or approved by the Agency, be used only for the performance of this contract.
3. The Contractor shall be responsible for any loss or damage to property of the Agency which results from the negligence of the Contractor or which results from the failure on the part of the Contractor to maintain and administer that property in accordance with sound management practices.
4. If any Agency property is lost, destroyed or damaged, the Contractor shall immediately notify the Agency and shall take all reasonable steps to protect the property from further damage.
5. The Contractor shall surrender to the Agency all property of the Agency prior to settlement upon completion, termination or cancellation of this contract.
6. All reference to the Contractor under this clause shall also include Contractor's employees, agents or Subcontractors.

WAIVER

Waiver of any default or breach shall not be deemed to be a waiver of any subsequent default or breach. Any waiver shall not be construed to be a modification of the terms of this Contract unless stated to be such in writing and signed by authorized representative of the Agency.